

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



2860 EYDE PARKWAY
EAST LANSING, MICHIGAN 48823

DANA NESSEL
ATTORNEY GENERAL

April 21, 2022

Hammerling Wines/Bolo Cellars, LLC
d/b/a Blue Ox Wine Co
C/O 1505 Corporation 1621 Legalzoom.com, Inc., Agent
101 N Brand Blvd, 11th Floor
Glendale, CA 91203

Re: Cease and Desist Unlicensed Direct Shipping of Alcoholic Liquor

Dear Sir or Madam:

This office has confirmed that Hammerling Wines/Bolo Cellars, LLC d/b/a Blue Ox Wine Co has been directly shipping wine into the State of Michigan despite not possessing a direct shipper license. This conclusion arises from the attached excerpt from a common carrier report filed with the Michigan Liquor Control Commission (MLCC) demonstrating the business's ongoing practice of receiving money from customers in exchange for direct shipments of wine, contrary to the Michigan Liquor Control Code of 1998 (Liquor Code). See MCL 436.1101, et seq. More specifically, MCL 436.1203(1) prohibits a person from selling, delivering, or importing alcoholic liquor into this state unless authorized. Directly shipping wine to consumers in Michigan is authorized only through licensure under MCL 436.1203(10). Accordingly, the business and anyone affiliated with its operation are ordered to cease this illegal activity or face possible criminal charges.

The party mentioned above must cease and desist its ongoing practice of selling, furnishing, or shipping alcoholic liquor to customers in Michigan. This activity violates the Liquor Code and constitutes criminal activity. According to MCL 436.1909(3), any person who "performs any act for which a license is required under this act without first obtaining that license or who sells alcoholic liquor in a county that has prohibited the sale of alcoholic liquor . . . is guilty of a felony punishable by imprisonment for not more than 1 year or by a fine of not more than \$1,000.00 or both." Moreover, a person who sells, delivers, or imports wine in violation of MCL 436.1203(1) is subject to civil or criminal penalties of up to four years imprisonment or a \$5,000 fine, or both. MCL 436.1909(5).

Hammerling Wines/Bolo Cellars, LLC

d/b/a Blue Ox Wine Co

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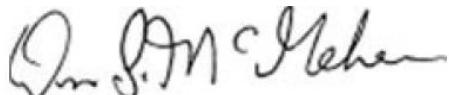
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The U.S. Constitution, in the Twenty-first Amendment, reserves the right to control alcoholic beverages to the individual states, and each state has its own system of licensing, taxation, and regulation to prevent unauthorized sales. See U.S. Const Amend XXI; see also 1963 Mich Const Art. IV, §40. The Michigan Legislature has established a system of licensing, taxation, and enforcement standards, which the MLCC is responsible for implementing. The essence of such a control system is that alcoholic beverages, while legal, are controlled substances which are susceptible to misuse or abuse. Liquor licensees, who are authorized to sell alcoholic beverages, are directly accountable to the MLCC. If you wish to become licensed by the MLCC as a direct shipper so that you can legally sell or furnish alcoholic liquor within the State of Michigan, please contact the MLCC to obtain information on how to become a licensed entity. But unless and until the above business becomes licensed, it is engaging in illegal activity by shipping wine to Michigan consumers.

Hammerling Wines/Bolo Cellars, LLC d/b/a Blue Ox Wine Co is also violating the Michigan Consumer Protection Act (CPA) by promoting and falsely representing to the public that its business is legal. Section 3 of the CPA, MCL 445.903(1)(a), prohibits representations that cause a probability of confusion or misunderstanding as to their approval. A persistent and knowing violation of this law may result in a court assessing a civil penalty of \$25,000, along with costs and attorney fees, in favor of the Attorney General. See MCL 445.905.

The statutes and possible legal actions stated in this letter are by no means exhaustive; this letter is intended only to place Hammerling Wines/Bolo Cellars, LLC d/b/a Blue Ox Wine Co and persons affiliated with its operation on notice that the business is violating the laws prohibiting unlicensed persons from directly shipping wine to Michigan consumers. If this activity fails to cease within 14 days of your receipt of this letter, our office will take legal action to stop it. This may include filing criminal charges.

Sincerely yours,



Donald S. McGehee
Division Chief
Alcohol and Gambling Enforcement Division
(517) 241-0210
Fax: (517) 241-1074

HAMMERLING WINES	1350 5TH ST	BERKELEY	CA	94710	TMF SUENO	1042 N MAPLE RD	ANN ARBOR	MI	284348022657	09/29/2021	10/08/2021	Alcohol
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EXHIBIT 1

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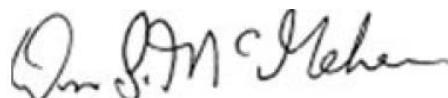
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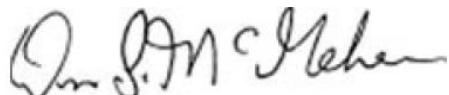
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